



Pension Regulations and the Socio-Economic Wellbeing of Retirees in Nigeria

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Abstract: The increment of production output has been put forward as one of the main purposes of retirement world over. Nevertheless, how much this purpose is achieved has been questioned as workers and retirees have always complained of how the pension system has not been living up to their expectation which downs on their motivation to work productively. This has led many studies into the pension system and its relationship with the retirees, yet none have considered the place of the pension regulations in the socioeconomic wellbeing of the retirees. This study has therefore evaluated the role of pension regulators in preparing retirees for retirement; investigated the effect of pension regulations on the social status of retirees; investigated the impact of pension regulations on the economic life of retirees; and explored factors that promote the socio-economic wellbeing of retirees. The study was anchored on the social contract theory using primary data collected from federal workers, analysed with the use of percentage and mean score. The study found that the pension regulation does not have positive impact on the socioeconomic wellbeing of the retirees. This is so because, the regulators have not been living up to their responsibilities of educating the employees on the new pension system, attending to petitions of RSA holders and investigating impropriety by the PFAs and PFCs. The study therefore recommends a general scrutiny of the pension regulatory system and more.

Keywords: Pension, Socio-Economic Wellbeing, Retirement, Nigeria.

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1. INTRODUCTION

Throughout most developing countries with Nigeria in particular, government limits the working age of public servants in order to avoid an aging workforce and enable entrants of young skilled labor to improve output and productivity (Federal Republic of Nigeria, 2004). This is critical because as an employee gets older, his Marginal Physical Labor Productivity (MPPL) will decrease, so keeping such an employee in the organization's operation will result in running an organization at a loss. This is therefore, why the statutory working age is set in the public sector.

In Nigeria, the age of retirement for civil servants is 60 years of age or 35 years of uninterrupted active service, whichever applies first. Nevertheless, Judges of high courts and professors at tertiary institutions in the country are not necessarily on same policy as theirs is fixed at 70 years of age. Age is seen to imply knowledge and extensive experience in these fields, which is why the prolonged working years for these workers (Garba & Mamman, 2014). This is likened to what is seen in other African countries such as Ghana, Botswana and Cameroon (The Seattle Times, 2013).

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For Ghana, the age of retirement is 60 years with at least 15 years of service before being pensionable, whereas people employed under strict conditions, such as miners and steel workers, may retire at age 55 (IOPS Country Profile, 2011). In Botswana, as at 2010, the compulsory age of retirement is 60 years, although teachers are permitted to retire at 65 years of age and in Cameroon, it is also 60 years of age (Shuh, 2016). As workers reach this age, it is commonly accepted that productivity is declining for all individuals (Fapohunda, 2013). Whatever form the retirement takes within the statutory requirements of these nations, the pensioner is entitled to benefits, such as gratuity and pensions, as rewards for years spent in the service of the nation and for the purpose of meeting their financial needs at an old age (Garba & Mamman, 2014).

The stage seems set for the seniors, having served their nations for decades, to take the strain off their shoulders and relax for the rest of their lives. However, retirement is a period of life marked by many changes in age, fitness, energy, employment, social status, working conditions and, at times, living arrangements. These and other critical issues that need to be addressed are of concern to people nearing old age in most parts of the world (Ali, 2014). As a result, this new phase requires pensioners to have sufficient sources of subsistence, as work that helps generate steady income has ended. It is in a bid to solve this problem and provide a good living standard and socio-economic well being for the retirees that nations have formulated pensions and other related policies to cater for the need of retired workers.

Pension and retirement benefits in Nigeria have lasted for a long time, yet the challenges the retirees face persist. This has partly resulted in a lack of trust even among the workers in the 2004 pension scheme. This was followed in 2008 by an amended Act, and most recently in 2014, which is Nigeria 's newest Pension Act (Eme, Uche & Uche, 2014). Consequently, the fear of the uncertain future persists in workers' minds as they experience or observe the situation and difficulties faced by their predecessors who retired from service. It has been argued that this situation may be one of the reasons why the civil servants lack commitment and selfless service in Nigeria (Fapohunda, 2013).

These challenges have attracted the attention of researchers into the socio-economic conditions of retirees, their preparation for retirement, their retirement benefits and its administration and so on. The essence is to find a solution to the sufferings faced by the retirees and this by finding the cause of the hardship. This study

therefore joins in this search as it looks at the pension regulations and the socio-economic conditions of the retirees in Nigeria.

1.2 Statement of the Problem

The average Nigerian civil servant looks forward to retirement with fear and a sense of uncertainty, unlike in Western nations where workers eagerly anticipate their retirement from paid employment (Ali, 2014). Whereas staff in Western nations like the U.S. have access to three sources of income after leaving active service (Moody & Sasser, 2012), retired Nigerian civil servants have to struggle and suffer considerably before they can receive their meager benefits. Corruption and the extent of the embezzlement over the past three decades of gratuities of pensioners and monthly pension payments are ridiculous.

This unethical activity is compounded by the Pension Boards' inappropriate management of pension funds, inadequate record keeping, lack of adequate oversight of pension administrators, and successive governments misappropriate the pension funds (Fapohunda, 2013). Consequently, it is difficult for most states in Nigeria to pay the severance payments to retired civil servants, years after retirement. Pensions are not paid as and when due, during several months at times. The situation finds many retired civil servants in extreme poverty, anger, depression and ill health which sometimes cause death to some of these people while they wait their welfare benefits (Olatunde & Onyinye, 2013).

These deaths and sufferings have lasted over decades and it seem like there is no solution to it as the government have tried reforming the pension policy over and over, yet the problem persist. Studies have been carried out on factors around the Nigerian pension policy, its regulation and administration and how it affects the life and welfare of the retirees. Nevertheless, this study in addition to the existing wealth of knowledge wants to look at the relationship between pension regulations and the socio-economic wellbeing of the retirees in Nigeria, taking specific interest in Rivers State.

1.3 Objective of the Study

The study's objective is to explore pension regulations and the socio-economic wellbeing of retirees in Nigeria. Specifically, the study shall work with the following objectives:

1. Evaluate the role of pension regulators in preparing retirees for retirement;
2. Investigate the effect of pension regulations on the social status of retirees;
3. Investigate the impact of pension regulations on the economic life of retirees;

4. Explore factors that promote the socio-economic wellbeing of retirees;

1.3 Research Hypotheses

The tentative statement expressing the expected outcome of the study's objectives as shall be evaluated through data analysis are stated as follows:

H₀: Pension regulations do not have any significant effect on the social status of retirees

H_i: **H₀:** Pension regulations do not have any significant impact on the economic status of retirees

H₀: There is no significant relationship between pension regulations and retirees preparedness for retirement.

2. REVIEW OF THE RELATED LITERATURE AND THEORETICAL FRAMEWORK

Literature review here is on issues surrounding pension regulations and the socio-economic wellbeing of retirees in Nigeria.

2.1 Empirical Review

Various empirical research has been conducted to find the link between the management of pension funds and socio-economic performance. Studies such as Odia and Okoye (2012) contrasted the old pension scheme with the 2004 Pension Reform Act using a comparative approach for evaluating and contrasting the pre-2004 pension scheme with the 2004 Pension Reform Act. Their report shows that the PRA 2004 is better than the pension scheme pre-2004, and that the PRA 2004 is intended to help correct the flaws and inadequacies of the old pension scheme.

Contradicting this result is Olanrewaju (2011) research, which also looked at the 2004 Pension Reform Act and the well-being of Nigerian retirees founded on Marxist theory. The study analyzes objectively the government's 2004 pension policy on the well-being of Nigerian retirees and found that the 2004 PRA failed to contribute to basic old-age social security for the majority of Nigerians working in the informal sector while the minority of covered employees are experiencing problems.

Essien and Akuma (2014) also compared the new pension scheme with the old scheme in order to highlight some areas of differences. Their research found that past pension schemes were riddled with financial misappropriation (corruption), which gave free rein to their ineffectiveness and eventual repeal.

On pension fund administration and infrastructure financing, Micah and Obah (2016) used a simple random sampling to select 108 respondents, and subjected the collected data to Pearson Products moment correlation. Their result shows a relationship between retirement pension

account and return on economic and social infrastructural financing; and a significant relationship between superannuation pension account and economic and social infrastructural financing in Nigeria.

Edogbanya (2013) were interested in the contributory pension scheme and its impact on the Nigerian economy. Using correlation analysis for testing secondary data and ANOVA for the primary data, the study revealed that risk prevalent has positive effect on pension fund management. Also, that the contributory pension scheme has significant positive impact on the GDP.

Nevertheless, the study of Nwanne (2015) examined the impact of contributory pension scheme on economic growth in Nigeria for the period 2004-2012. They used OLS Regression method to discover that pension funds have negative and significant impact on economic growth in Nigeria, while pension savings had positive and significant impact on economic growth.

On the socio-economic wellbeing of retirees and pension fund regulation, Anazodo, Ezenwile, Chidolue and Umetiti (2014) examined the effect of the new pension scheme on retirees in Nigeria. Their findings were show that most retirees were not fully aware of the operations of the new scheme; that though the regulations are properly drafted, the "Nigeria factor" impedes its achievements; and lastly, that the new pension scheme has not significantly improved the welfare of the retirees, when compared with the old scheme.

Contrasting a little of the above finding, Nwagu (2014), in his study investigated whether transparency and accountability are being maintained in the management of the consolidated pension fund in the new scheme by pension fund administrators and custodians. The study revealed that the pension fund administrators and custodians exhibited transparency and accountability only in the reports made to PENCOS but this does not reflect in their relationship their major clients which is the retirees.

In her research on socio-economic change of former civil servants in Kwara and Lagos state in Nigeria Adetunde (2017) notes that, given the fact that Lagos state participants were planning for their retirement, they were still facing some difficulties as a result of the delay in commencing the payment of the pension and their meagre pension per month. Therefore, retired civil servants in the fields of study took on trade, farming, care giving and others. These have contributed to more frugal and relaxed lifestyles to cope with their new status. And,

according to the research, retirees from Lagos called for a restructuring of the existing pension scheme leading to prompt gratuity payments.

2.2 Theoretical Framework

Among other theories, the social contract theory was deemed fit for this study as it refers to the understandings and conventions within a society that help to explain and justify its legal, political and economic structures. Nevertheless, it is necessary to note that two categories of social contract theory exist which are the early and the modern theories. The early social contract theories dates back to the times of Epicurus, Hobbes, Locke and Rousseau who were centrally concerned with investigating the ideas of social co-operation and to a greater extent of political Obligation (Amir, 2011; Thrasher 2013).

The fundamental argument of the social contract theory is a way of justifying the obligation to obey the law or more generally, the acceptance of government decisions as authoritative. But the modern social contract which this study is anchored on, is rather seen as a mechanism that describe proper social institutions and policies that uphold justice as the basic virtue in society.

For Pettit (1997) in his *Republicanism: A Theory of Freedom and Government*, the theory of social contract as classically based on the consent of the governed, need to be modified. His argument is that explicit consent can always be manufactured. So, he posited that the absence of an effective rebellion against the social contract is its only legitimacy.

Pettit's argument therefore, brings the pension fund regulators to honour the social contract entered by the workers and their employers where each party is expected to play its role. In this contract, the worker is expected to carry out his or her duties effectively while the employer is expected to pay the worker all his/her entitlements. Among the entitlement of the worker is the pensions due him/her at retirement which is one of the cornerstones of public policy.

Therefore, the modern social contract theories believe that the social economic well being of the retiree is embedded in the social contract he entered at employment and therefore, the pension fund regulation and every policy surrounding it should be geared towards honouring that contract, and that is the appriori expectation of this study.

3. METHODS

3.1 Research Design

The descriptive survey design was used in the study; employing the questionnaire method of data collection. This method is chosen because it can

describe the relationship between variables, in this case pension regulation and socio-economic well-being of retirees.

3.2 Sources of Data

The study used primary data collected from serving and retired staff of federal parastatals in Rivers state Nigeria; the retired includes those who retired within 5years ago. This choice of respondents is made in order to access the view of workers towards preparing for retirement as well as that of the retired who are already facing the socio-economic realities of retirement. The questionnaire instrument titled Pension Regulation and Socio-economic Wellbeing (PRSW), was used to collect data from workers and retirees of the federal ministries, parastatals and agencies in Rivers state. The heterogenous and infinite nature of the study's population led to the use of the multi-stage sampling method. First, the purposive sampling method was used to select 10 MDAs as follows: National directorate of employment, Niger Delta Development Commission, National agency for food and drug administration and control, National information technology development agency, Independent national electoral commission, Federal inland revenue services, Investments and securities tribunal, Nigeria maritime administration and safety agency, National oil spill detection and response agency, Central bank of Nigeria. Secondly, the snowball method was applied in the MDAs in order to capture both working and retired staff, 40 (20 serving and 20 retired staff) from each MDA to make a total of 400 respondents. Therefore 400 questionnaires were served from which 388 were correctly filled and returned for analysis.

3.3 Description of Research Variables

The study has two major variables which are pension regulations (Independent) and socio-economic well being (dependent). For better understanding of the variables and their relationship, the dependent variable was broken into two to have social well-being and economic well-being.

Independent Variable

Pension Regulation:

The set of laws, rules and regulations guiding the administration of the pension industry in Nigeria which assigns roles to participants such as Pension Fund Custodians (PFC), Pension Fund Administrators (PFA) and Closed Pension Fund Administrators (CPFA). The Regulator in Nigeria is the National Pension Commission (PENCOM).

Dependent Variable

Social Well-Being:

Is an end state that include adequate and well-functioning social relationships, social support,

little or no social strain, social inclusion, strong and well-functioning social networks. In this study the proxy for social well-being is the strength of social networks and relationship of retirees.

Economic Well-Being:

Is the state of having present and future financial security as well as being able to make economic choices with sense of security, satisfaction, and personal fulfillment with one's personal finances. It is proxied by number and level of sources of income.

3.4 Techniques of Analysis

The data gathered through the questionnaire were analyzed using tabulation and simple percentages, while the mean score was used to test the hypotheses.

4. DISCUSSION OF RESULTS

4.1 Descriptive Statistics

The data in table 1 is on the demographic characteristics of the respondents which shows that there are more male than female respondents with 72.4% and 27.6% respectively. On the age distribution of the respondents, it is observed that 50.8% of the respondents are age 60 and above, while the remaining 49.2% is shared between age brackets 20-39 (20.8) and 40-59 (28.4%), which might be an indication of the fact that the selection criterion gave 50-50 selection opportunity to both the serving and retired staff of the organisations sampled. Secondly, this implies that all of the retired staff are 60yrs and above, which means that majority of the Nigerian civil servants retires only based on the age of retirement.

The study also reveals that more of the respondents were married (74.7%) while 22.4% were still single and 2.8% were either divorced or separated. This observation shows that single-parenthood is not much among the respondents, which may be as a result of level of education and exposure to the benefits of united family as well as the impact of the culture of the people which promotes morality and family unity. The analysis on the respondents' level of education shows that the majority of the respondents are graduates of tertiary institutions (52.1%), with 26.7% having secondary certificates and 20.4% with primary education. The remaining 0.8% and other unspecified levels of education other than the ones mentioned. This result

is indicative of the fact that the Nigeria civil service lays emphasis on tertiary education for higher positions of service. Therefore, citizens are all striving to be graduates of tertiary institutions which could be the result of the many graduates being turned out by the tertiary institutions without matching job opportunities.

Furthermore, the study looked at the respondents' employment status so as to assess their experience with the socio-economic realities of the retirees under study. The data reveals that 49.7% of the respondents are currently employed, 35.6% are officially retired and not doing any other job, 12.9% are retired but self-employed while 1.8% are retired but still consulting for their organisations. From this result, it is observed that though still low, organisations have started learning to engage the services and experiences of retired staff through consultancy. More interesting also is that retirees have started learning to engage in entrepreneurial activities at retirement, but the level of those who are idle at retirement is still high which may be as a result of the age of retirement that makes retirees already tired at retirement and therefore want to rest.

The distribution of the monthly income of the respondents was interestingly a reflection of the education level according to the federal government salary scheme. The Nigeria civil service regulated salary scheme which based on education and level of experience therefore made it that majority of the respondents (26.3% and 24.7%) have monthly salaries ranging from 91,000 -111,000 and 112,000 and above respectively, which is a reflection of the salary scheme of workers with tertiary education and many years of experience. The other respondents with monthly salary less than 50,000 (11.3%) are probably secondary school leavers and those with OND with no years of experience. 50,000-70,000 (15.5%) and 71,000-90,000 (22.2%) could be OND with years of experience and HND holders.

The study also looked at ownership of property in order to glimpse into the respondents' standard of living. The data reveals as follows: that only 19.8% of the respondents own their own houses and 20.6% own an undeveloped land, while a higher percentage of 59.5% are tenants. This indicate that many of the respondents are retired without their own house, and many of the serving staff also does not have their own house yet.

Table 1: Sociodemographic Characteristics

Variables	Group	Frequency	Percent	Valid Percent	Cumulative Percent
Age	20-39	81	20.8	20.8	20.8
	40-59	110	28.4	28.4	49.2
	60 and above	197	50.8	50.8	100
	Total	388	100.0	100.0	

Variables	Group	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	281	72.4	72.4	72.4
	Female	107	27.6	27.6	100
	Total	388	100.0	100.0	
Marital status	Single	87	22.4	22.4	22.4
	Married	290	74.7	74.7	97.1
	Divorced/Separated	11	2.8	2.8	99.9
	Total	388	100.0	100.0	
Level of education	Primary education	79	20.4	20.4	20.4
	Secondary education	104	26.7	26.7	47.1
	Tertiary education	202	52.1	52.1	99.2
	Others	3	0.8	0.8	100
	Total	388	100.0	100.0	
Employment status	Currently employed	193	49.7	49.7	49.7
	Officially retired	138	35.6	35.6	85.3
	Retired but self-employed	50	12.9	12.9	98.2
	Retired but consulting for my organization	7	1.8	1.8	100
	Total	388	100.0	100.0	
Monthly Income	Less than 50,000	44	11.3	11.3	11.3
	50,000-70,000	60	15.5	15.5	26.8
	71,000-90,000	86	22.2	22.2	49
	91,000-111,000	102	26.3	26.3	75.3
	112,000 and above	96	24.7	24.7	100
	Total	388	100.0	100.0	
Property ownership	I am a landlord	77	19.8	19.8	19.8
	I own undeveloped land	80	20.6	20.6	40.4
	I am a tenant	231	59.5	59.5	99.9
	Total	388	100.0	100.0	

Source: Fieldwork, 2023.

4.2 The Role of Pension Regulators in Preparing Retirees for Retirement

The table 2 below shows frequency and percentage score of respondents' opinions on the role of pension regulators in preparing retirees for retirement. The data reveals a high percentage of the respondents (49%) are not aware of the investment opportunity attached to their pension fund, and only 51% are aware. This implies that however the pension fund administrators are managing the returns on their investment, they are not aware and therefore cannot complain if anything is going wrong. Relatedly, a large number of the respondents (83.5%) disagreed to having attended any PENCUM-organised pension system awareness programme. Which means that the lack of awareness of the opportunities that abound through the pension fund is as a result of little or no awareness programmes from the pension regulators.

The data also revealed that there is no relationship between the pension regulators (PENCUM) and the staff of organisations (pension fund owners), with 56.5% disagreement and 43.5% agreement to the statement on relationship.

Interestingly, 51% of the study's respondents are aware that they can channel their complain to PENCUM in events of any impropriety by their PFAs. Then one begins to wonder why there is no relationship between them and PENCUM. The possible answer is that since there are no awareness programmes, they probably don't know the right channel to route their complains. Nevertheless, 62.9% of the respondents answered that PENCUM have not always attended to their complaints, which gives further reasons why there is no relationship between the pension fund owners and PENCUM.

Summarily, the pension regulators have not been effectively carrying out their duties, part of which is to create public awareness on the functioning of the pension system, to promptly attend to complaints against PFAs and PFCs on impropriety, among others. Therefore, it could be said from this result, that the retirees mostly retire without being well equipped to face the new phase of their life, and mostly because of little or no information on the opportunities abounding for them as pension fund owners.

Table 2: Frequency and Percentage Score on the Role of Pension Regulators in Preparing Retirees for Retirement

S/N	Items	SA	A	D	SD
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)
1	Am aware that pension funds are being invested or are supposed to be invested	71 (18.3)	127 (32.7)	121 (31.2)	69 (17.8)
2	I or staff of my organization have attended PENCOT - organized pension system awareness programme.	10 (2.6)	54 (13.9)	197 (50.8)	127 (32.7)
3	There is a relationship between the staff of my organization and the pension fund regulators (PENCOT)	72 (18.5)	97 (25)	117 (30.2)	102 (26.3)
4	Am aware I can complain to PENCOT, of any impropriety by my pension fund administrator or custodian	61 (15.7)	137 (35.3)	123 (31.7)	67 (17.3)
5	PENCOT have always attended to complaints sent to them concerning PFAs and PFCs	50 (12.9)	94 (24.2)	197 (50.8)	47 (12.1)

Source: Fieldwork, 2023.

4.3 The Effect of Pension Regulation on the Retirees' Social Status

In table 3 below, the relationship between pension regulation and social status of retirees have been described. It shows that retirees are still active in the social circle (54.9%) despite being taken away from constant relations with colleagues. Nevertheless, response from 58.7% of the respondents show that there is no system in their organization that helps the retiree relate with their former colleagues. This implies that the activities of the retirees in the social circle as established are possibly privately initiated. Also, the data show that

retirees are complaining of neglect and boredom (61.6%), which is probably an SOS call from the retirees, since they are still active in the social circle, but are not given an official avenue to express their relations with the colleagues, so they end up with the feeling of neglect and boredom. Interestingly, it is observed that in the absence of official relationship with former colleagues, the retirees apparently turn to family for social support (55.7%). Only 25% of the respondents agreed that the retirees don't need social support while the rest 75% disagreed, which goes to confirm the SOS call from the retirees, that their need to express their social value be recognized.

Table 3: Pension regulation and the social status of retirees

S/N	Items	SA	A	D	SD
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)
1	Retirees are still active in the social circle	66 (17)	147 (37.9)	116 (29.9)	59 (15.2)
2	There is a system in my organization that helps the retired staff still relate with old friends in the work place like there are still needed.	20 (5.2)	140 (36.1)	197 (50.8)	31 (7.9)
3	Retired staff of my organization are complaining of neglect and boredom	92 (23.7)	147 (37.9)	98 (25.3)	51 (13.1)
4	Retirees are depending on family members for social support	86 (22.2)	130 (33.5)	103 (26.5)	69 (17.8)
5	Retirees don't need any social support	50 (12.9)	47 (12.1)	197 (50.8)	94 (24.2)

Source: Fieldwork, 2023

4.4 The Impact of Pension Regulations on the Economic Life of Retirees

In table 4, the data shows that the respondents (60.5%) believes that retirement benefits are not paid as and when due. This is also confirmed by the disagreement of 56.5% of the respondents that their pension fund should be sufficient to help them get self-employed at retirement. By implication, if the retirement benefits

are not paid as and when due, it wouldn't be judiciously used in order to the good of the retirees as some may have died before theirs are paid. Further, 61.6% of the respondents disagreed to be involved in the voluntary pension contribution, which means that many federal workers are still depending fully on the mandatory contribution without seeing the benefits of the voluntary contribution, or their salary

is not sufficient to cater for their needs and be left for voluntary contribution.

On other sources of income at retirement, 55.7% of the respondents agreed to not having other source other than the pension fund, while the remaining 44.3% disagreed, implying they have other

source(s). Relatedly, it is discovered from the data that there is no much investment by the federal staff as 71.6% of the respondents disagreed to investing savings in some income yielding ventures. Again, this could be as a result of not knowing the benefits of investment, or insufficiency of their salary.

Table 4: Pension Regulations and the Economic Life of Retirees

S/N	Items	SA	A	D	SD
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)
1	Retirement benefits are paid as and when due	66 (17)	87 (22.4)	146 (37.6)	89 (22.9)
2	My pension fund should be sufficient to help me get self-employed at retirement	72 (18.5)	97 (25)	117 (30.2)	102 (26.3)
3	In addition to the mandatory pension contribution, I also do the voluntary contribution	51 (13.1)	98 (25.3)	147 (37.9)	92 (23.7)
4	At retirement I don't have other source of income than pension fund	80 (20.6)	136 (35.1)	103 (26.5)	69 (17.8)
5	I have invested savings from my salary in some income yielding ventures.	53 (13.7)	57 (14.7)	187 (48.2)	91 (23.4)

Source: Fieldwork, 2023

4.5 Factors That Promote the Socio-Economic Wellbeing of Retirees

The table 5 below shows responses on the factors of socio-economic wellbeing of the retirees. Five factors were identified, all to which the respondents agreed as follows: retirees still desire social recognition (56.5%), payment of retirement

benefits without stress will better the socio-economic life of retirees (60.5%), there is the necessity of policies that encourage civil servants to invest (61.6%), social relationship with former colleagues is still desired by retirees (55.7%), and education on pension fund investment and usage will increase financial stability of retirees (71.6%).

Table 5: Factors of socio-economic wellbeing of retirees

S/N	Items	SA	A	D	SD
		Frequency (%)	Frequency (%)	Frequency (%)	Frequency (%)
1	Retired civil and public servants still desire to be valued in the society	102 (26.3)	117 (30.2)	97 (25)	72 (18.5)
2	The retirees will be better off if their retirement benefits are paid promptly at retirement without hassle	89 (22.9)	146 (37.6)	87 (22.4)	66 (17)
3	The federal government should make policies that can encourage public and civil servants to invest before retirement	92 (23.7)	147 (37.9)	98 (25.3)	51 (13.1)
4	Retirees will still appreciate a relationship with their former colleagues	86 (22.2)	130 (33.5)	103 (26.5)	69 (17.8)
5	The retirees will be financially stable at retirement if they are educated on how their pension fund is being invested and how to make utmost use of the investment	91 (23.4)	187 (48.2)	57 (14.7)	53 (13.7)

Source: Fieldwork, 2023.

4.6 Testing of Hypotheses: The study formulated three hypotheses which were tested as follows:

Hypothesis One, Two and Three

1. **H₀:** Pension regulations does not have any significant effect on the social status of retirees.

2. **H₀:** Pension regulations does not have any significant impact on the economic status of retirees.

3. **H₀:** There is no significant relationship between pension regulations and retirees' preparedness for retirement.

Table 6: Mean Score on the relationship between the variables in the stated hypotheses

S/N	Items	SA	A	D	SD	Descriptive			
		Frequency	Frequency	Frequency	Frequency	Total	Mean	Standard Deviation	Remark
1	Effects of pension regulation on the social status of retirees in Nigeria	86	130	103	69	388	2.6005	1.02056	Agreed
2	Impact of pension regulation on the economic life of retirees in Nigeria	80	136	103	69	388	2.5851	1.00669	Agreed
3	Relationship between pension regulation and retirees' preparedness for retirement	61	137	123	67	388	2.4948	.95505	Agreed

DECISION RULE: 4.00-2.50= Agreed: 2.49-1.00= Disagreed

From the result of data analysis in table 6 and in relation to the decision rule, the three hypotheses tested leads to the acceptance of all the null hypotheses at 95% confidence level. Therefore, it is concluded as follows:

1. That with 2.60 mean score, pension regulation has no significant effect on the social status of retirees in Nigeria.
2. With 2.58 mean score, pension regulation has no significant impact on the economic life of the retirees in Nigeria.
3. Having established a 2.50 mean, there is no significant relationship between the pension regulation and retirees' preparedness for retirement in Nigeria.

Therefore, it could be generally concluded that so far, the pension regulation in Nigeria have not yielded any positive impact on the socio-economic wellbeing of the retirees.

The above conclusion is made having studied past literature on the subject and critically applied the social contract theory in the discourse of the study's result. The study has found that not much is being done by pension regulators to prepare the retirees for retirement. This conclusion is made on the premise of the social contract theory and the appriory expectation of this study there from, where it is believed the government and its agent (PENCOM) should honour the contract entered into with the workers and ensure that every policy surrounding the contract is towards honouring the contract. Therefore, this study argues that if pensions are duly contributed but not put into effective use or its use not made known to the RSA holders, it consequently

will not be to the socioeconomic good of the retirees. This has been seen to be the case in this study as it is found that there is little awareness among the retirees as well as the serving employees on pension matters. There is no relationship between PENCOM and the RSA holders, due to the fact that programmes are not created to bring them together, neither do their complaints get to the appropriate quarters for resolutions. This finding is also seen in Komolafe and Ahiuma-Young (2010).

Moreover, the study's expectation is that a successful honouring of the contract between the federal government and her employees should be evidenced in the socioeconomic well being of the retirees, which the pension regulation is supposed to be an instrument. But the study has found that the pension regulators have focused more on the economic section of the pension management and has so ignored the social aspect that should actually ground and make the economic aspect effective. In agreement with some previous studies (Okechukwu and Ugwu, 2011; Fapohunda, 2013; Maji, 2014), this study has found that there is no significant effect of pension regulation on the socioeconomic well-being of retirees. This is so because, while there is no relationship between the regulators and RSA holders, there is therefore little awareness on the benefits of voluntary contribution as well as pension investment and possible opportunities therein. The result of this is that the employee is ill-prepared for retirement and therefore retires to depend solely on the retirement benefits which is also said as found in this study and other studies (Masibau, 2013; Onukwu, 2017) to be not paid as and when due. Therefore, when the retirement benefit is no sufficient for the

retirees and there is no system put in place to help them generate other source(s) of income, they now depend on support from family members or suffer untold hardships after years of service.

5. CONCLUSION AND RECOMMENDATIONS

The study on pension regulations and the socioeconomic wellbeing of retirees is seen as a child of necessity. Many studies have been done on issues surrounding pension and its administration, differences on the pension regimes and its relationship with the wellbeing of retirees and even on socioeconomic wellbeing of retirees. But none has considered the relationship that could possibly exist between pension regulation and socioeconomic wellbeing of retirees in Nigeria, which this study has explored.

From previous studies, it has been observed that the provisions of the 2004 Pension Reform Act as reviewed in 2014 gives better opportunities and hope for the retirees than the defined benefit scheme prior to 2004. But these provisions have not been seen to truly reflect on the lives of the retirees as is expected, leading to the believe that some other factors could be that be impacting on the socioeconomic life of the retirees. This study from its analysis therefore, has found that notwithstanding the good provisions of the 2004/2014 Pension Reform Act and the regulations that guides it, there wont be any impact on the lives of the retirees until the regulators consciously device system(s) that will ruggedly educate the pensioners on how to tap into the benefits of the scheme.

So far, it has been observed in this study that the pension regulations have not yielded positive impact on the socioeconomic life of the pensionable workers and retirees as well. This implies that even the serving employees of the federal government is still seeing their retirement period in bleak, while the retired staff are complaining that their life are not what they expected it should be after serving years of service. These observations lead this study to conclude that the pension regulations are more plausible in the letters than it is in reality, leading to the general recommendation that the pension regulatory system be scrutinized in order to find out the reason for their lag in action.

Based on the findings, the following recommendations are made:

1. **The government:** The government who has entered into a contract with their employees should honour their part of the contract by ensuring that the wellbeing of their workers at retirement are ensured even while they are still serving. This could be ensured when the pension system is made one of government's labour

priority. The government therefore owes it the workers as a duty to scrutinize the pension regulatory system to ensure it serves the purpose of its institution.

2. **The regulatory system:** PENCOM which have been saddled with the responsibility of regulating the pension system should live up to the expectation. Awareness creation is one of their duties which they have been said to fail on. Therefore, it is recommended that they go back to the drawing board and device means of education the Nigeria labour force on what the 2004/2014 Pension Reform Act holds and how they can benefit from it.
3. **Employers:** The employers of labour are stakeholders in the pension system and also have a part to play in educating their employees on what they stand to benefit in the contributory pension especially the additional voluntary contribution. This will also benefit the employers because when the employees are sure of how secured their retirement period is, they will be motivated to put in their best at work.
4. **Employees/Retirees:** The employees are the would-be retirees who are directly impacted by whatever the pension system holds. Therefore, it is their responsibility to express or report any impropriety observed on their RSA to the right authorities. It is also recommended that they get involved in voluntary contribution which will vamp the available fund at their disposal during retirement.

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